

On the Art and Science of Planning and Policy-making

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Stages in Policy-making

1. Identification of issue
2. Diagnosis of issue
3. Intervention to address issue
 - i. Type of intervention
 - ii. Design of intervention
4. Implementation and Monitoring
5. Evaluation and Course Correction

Identification: The Art

- Issues are thrown up from diverse sources: politicians, civil society, academics, personal observations, international agencies, etc:
- Ultimately filtered through the political system
- Civil servants can influence, but not determine the issues to be taken up
- Usually issues are not well defined. The science lies in defining properly and laying out the dimensions

Identification: The Science

- Usually requires only descriptive statistics
- Measures of central tendency: mean, mode, median, etc:
- Measures of dispersion: standard deviation; coefficient of variation; skewness; kurtosis, etc:
- Measures of distribution: Gini coefficient; fractal ratios; etc:

Diagnosis: The Art

- Initial identification almost always comes with a diagnosis.
- “Gut feeling”, sectional interests or pre-conceived ideas are usually the basis of these diagnoses. These have to be frequently overcome.
- Proper identification is the first and most important step: diagnosis is sometimes self-evident. In most other cases, further analysis is required.
- The art is to determine which applies.

Diagnosis: The Science

- In non-obvious cases, it is necessary to identify possible alternative causes.
- Evaluating alternatives requires complex analysis and wide range of data
- Causality tests desirable, but data may not permit
- New econometric methods (regression discontinuity) available, not widely applied

Intervention

- Two main stages in developing the appropriate intervention for addressing an issue:
 - a) Deciding the type of intervention needed
 - b) Designing the intervention
- Two main types of interventions:
 - a) Policy
 - b) Programme or scheme

Type of Intervention

- Decision highly dependent on diagnosis. For issues with multiple dimensions more than one intervention may be needed
- Policy suitable when desired behaviour changes happen if environment is changed
- Programmes suitable in other cases: i.e. when behaviour change is unlikely to solve problem and direct public action is needed
- This decision is coloured by a preference for schemes.

Design of Policy: Largely Science

- Nature of Policy intervention broadly obtainable from analysis done in determining its suitability
- Actual design involves assessment of side-effects
- This requires understanding of theory and institutional behaviour, and can involve complex modelling (CGE models for example)

Design of Programmes: Largely Art

- Programme design much more complex
- Requires micro human behavioural knowledge
- Experience and experimentation are key
- New techniques such as randomised control trials (RCT) useful, but care needs to be taken
- In all cases the underlying theory must be carefully documented

Implementation and Monitoring

- Understanding of institutional structures essential in all cases
- For policy, transmission channels in terms of intermediate and final variables be specified
- For programmes, by and large, straightforward management information systems (MIS) suffice
- However, really good monitoring systems should provide well-defined measurable relations between input, process and output variables

Evaluation and Course Correction

- Good evaluation should be built in at the design stage
- Measuring and assessing the change in outcome variables is at the core, but is not enough
- Must always be able to assess the appropriateness of the underlying theory

Thank you